

REMARKS

Applicant respectfully requests reconsideration and allowance of claims 18-25, 29-33, and 46-48 that are pending in the above-identified patent application.

Amendment to Claims

Applicant has amended claim 18 to more clearly recite various features of the invention. Applicant submits that no further search is necessitated by this amendment because the claim amendments expressly recite features that were inherent in the original claims. Applicant has added new claims 47-48. No new matter has been added by the claim amendments

Interview Summary

The undersigned wishes to thank the Examiner for the courtesies that he extended to the all participants of the interview. Applicant acknowledges and adopts the Interview Summary dated January 13, 2006, although Applicant submits that the Examiner also agreed that the 35 U.S.C. § 102 rejection would be overcome if the proposed amendments were made to claim 18.

Rejection Under § 101

In numbered parts 5-6 of the Office Action, the Examiner rejected claims 18-25, 29-33 and 46 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. As best understood, the Examiner believes that the recited action steps are merely "intended" process steps and, therefore, do not produce a concrete result. In response, Applicant has amended claim 18 to recite action steps that are of the same scope as the prior recitations, yet are also believed to address the Examiner's rejection. The amendments to claim 18 addressing the 35 U.S.C. § 101 rejection were discussed and accepted by the Examiner (see Interview Summary).

Rejection Under § 112

In numbered parts 7-8 of the Office Action, the Examiner rejected claim 18 under 35 U.S.C. § 112, second paragraph as being indefinite for reciting the step of "using the first order, at least one

received intermediate order, and the second order to identify the chain of transactions . . ." The Examiner objected to the recitation of "using" at the beginning of the step. Although the Applicant maintains that the language was definite, in order to move prosecution forward, Applicant has amended claim 18 to recite the step of "identifying a chain of transactions . . . using the first order, at least one received intermediate order, and the second order." This amendment was discussed during the interview and accepted by the Examiner. (See the Interview Summary.)

Rejection Under § 102

In numbered Parts 9-10 of the Office Action, the Examiner rejected claim 18 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 6,499,018 ("the Alaia reference"). Applicant respectfully traverses the Examiner's rejection.

Independent method claim 18 recites the steps of:

receiving a first order from a first ordering party, the first order including at least one bid or offer to permit execution of a chain of transactions in a computerized system based on the first order;

receiving one or more intermediate orders, including at least one offer or bid, from at least one of a plurality of intermediate parties using the computerized system, at least one of the intermediate orders being placed by the at least one intermediate party in response to the first order;

receiving a second order, including at least one offer or bid, from a second ordering party using the computerized system, the second order being placed by the second ordering party in response to one or more of the intermediate orders; and

identifying the chain of transactions to be executed among the first ordering party, at least one intermediate party, and the second ordering party using the first order, at least one received intermediate order, and the second order.

As discussed during the interview, among the reasons that embodiments of the invention, such as that recited in claim 18, differ from the prior art include that such prior art systems eliminate intermediaries of the type that make intermediate offers and rebrokering transactions between a first party and a second party, yet intermediate offers are the keystone of the invention. This was discussed in the instant application at pages 2-3 as follows:

The use of computerized systems to facilitate commercial transactions has increased drastically over the past few years. Such systems range from private networks for use by subscribers to open systems available over public networks such as the Internet. These systems are being used for many different types of transactions, including the sale and purchase of airline tickets, cars, and homes, auctions and reverse auctions of various merchandise and services, and the trading of securities such as stocks and bonds. In a large number of cases, these systems are designed to eliminate intermediaries, such as agents and brokers, who were traditionally involved in executing these transactions. Indeed, these systems are touted for providing this feature, especially since it thereby eliminates the cost associated with such intermediaries.

However, by eliminating the role of intermediaries, these systems also lose out on the benefits provided by such intermediaries. Agents, brokers, and other intermediaries typically play a critical role in their respective markets. Among other things, they cultivate relationships with clients that lend stability to the overall market and leverage knowledge of the market to help clients achieve the desired results.

This issue becomes pronounced in the market for fixed income securities of bonds. The U.S. fixed income market is the most liquid, largest, and best established in the world, due in no small part to the role of intermediaries such as broker-dealers. Broker-dealers provide liquidity and perform many settlement requirements for each trade, including credit guarantees and storage for dollars. Broker-dealers also perform a key function in the bond markets by shouldering the regulatory burden which, under SEC regulations, requires broker-dealers to register, maintain specific records, and provide various reports on a regular basis. Moreover, broker-dealers have substantial expertise and experience which is brought to bear in the bond trading process. Fixed income securities are highly complex, with 4.4 million different fixed income securities outstanding, each having distinct structures, credit ratings, coupons, maturities, payment schedules, and features.

In the Office Action, the Examiner took the position that the Alaia reference discloses "allowing each of a plurality of intermediate parties . . . (see communication of intermediate orders listed in FIG. 2 [of Alaia]) and using the first order . . . to identify a chain of transactions . . ." The Examiner agreed during the interview that the Alaia reference did not disclose the identification of a chain of transactions because that reference merely shows matching an orders between two parties – the supplier and the buyer. No intermediate party is disclosed in the Alaia reference. In view of the foregoing, it is clear that the Alaia reference fails to disclose each and every feature of the invention as recited in independent method claim 18 of the instant application. Accordingly, Applicant respectfully requests that the Examiner withdraw his §102(e) rejection of claim 18.

Additional Prior Art

During the interview, the Examiner cited four prior art references for Applicant to consider when preparing the instant amendment. Applicant comments on each of these references below.

Applicant submits that U.S. 5,873,071 does not disclose "a plurality of intermediate parties using the computerized system" from which one or more such intermediate parties provide an order to the computerized system. Additionally, there is no identification of "the chain of transactions to be executed among the first ordering party, at least one intermediate party, and the second ordering party using the first order, at least one received intermediate order, and the second order." Indeed, the use of "intermediary" in the '071 patent is in name only – and the existence of the intermediary in the '071 patent does not meet the language of claim 18 of the instant application.

Applicant submits that U.S. 5,500,793 and 6,847,938 disclose a circular exchange or sale system in which parties enter predetermined information about the items to be exchanged (e.g., description of the item, price (or desired trade item), etc. The predetermined information is then searched and parties are matched with one another to consummate one or more exchanges or sales. Notably, the systems of the '793 and '938 patents require the predetermined input of information in order to match parties with one another. There are no orders placed by parties in response to other orders. This is in sharp contrast to the language of claim 18 of the instant application, which requires:

receiving one or more intermediate orders, including at least one offer or bid, from at least one of a plurality of intermediate parties using the computerized system, at least one of the intermediate orders being placed by the at least one intermediate party in response to the first order;

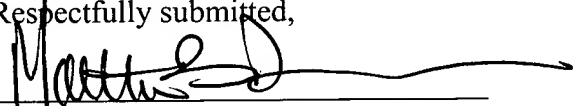
receiving a second order, including at least one offer or bid, from a second ordering party using the computerized system, the second order being placed by the second ordering party in response to one or more of the intermediate orders.

Applicant submits that U.S. 5,758,332 does not relate to the identification of chains of transactions between parties and, thus, is not an impediment to patentability of the instant claims.

Conclusion

In view of the foregoing, Applicant submits that the instant claims are in condition for allowance. Early and favorable action is earnestly solicited. In the event there are any fees due and owing in connection with this matter, please charge same to our Deposit Account No. 11-0223.

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Respectfully submitted,
By: 
Matthew B. Dernier
Registration No.: 40,989
KAPLAN GILMAN GIBSON & DERNIER LLP
900 Route 9 North
Woodbridge, New Jersey 07095
(732) 634-7634
Attorneys for Applicant